



EMPLOYER BULLETIN

Retirement Information for the 2004-2005 School Year

April 2005

Submit this year's retirement Supplementary Reports early

Please submit Supplementary Reports in May for all members who are retiring during the summer of 2005.

We are expecting an unusually large number of members to retire under the Early Retirement Option (ERO) in the summer of 2005. Under federal law, retiring TRS members who pay ERO contributions with after-tax dollars must remit their ERO contributions to TRS no later than July 31 following the school year in which they retired. TRS cannot calculate the member's annuity and ERO cost until the employer completes a Supplementary Report. By submitting Supplementary Reports in May, you will allow TRS to calculate retirement annuities and member ERO costs in a timely manner, thus allowing members adequate time to meet the July 31, 2005 payment deadline for after-tax ERO contributions.

The Supplementary Report should reflect anticipated earnings and service information as of the member's final day of employment. We understand that a retiring member may earn additional extra duty wages, use a sick leave day, or incur a dock after the Supplementary Report has been submitted. If any information previously submitted on the Supplementary Report changes, please call the Employer Services Department or remit a corrected Supplementary Report to us. If you are sending a corrected Supplementary Report to us, please write "corrected" at the top of the form.

Early Retirement Option (ERO) scheduled to expire

ERO background: members avoid discounted annuities with ERO

If a member retires between the ages of 55 and 60 with 20 or more years of service but fewer than 35 years of service, the annuity is reduced by 6 percent for each year the member is under age 60. Members may avoid the age discount by electing ERO and making a contribution to TRS. The member's employer must also make an ERO contribution. If the member has accrued at least 34 years of service credit, then the ERO costs are waived by TRS. Members who have accrued fewer than 34 years must make the ERO contribution or accept a discounted benefit.

ERO is scheduled to expire on June 30, 2005. To qualify for ERO, the member's final day of employment must occur on or before June 29, 2005. The member's effective date of retirement (i.e. the first date for which the member receives retirement benefits) cannot be later than June 30, 2005.

Questions

If you have any questions, please contact the Employer Services Department at (888) 877-0890, option 1.